

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:

City of Detroit, Michigan,

Debtor.

Bankruptcy Case No. 13-53846
Honorable Thomas J. Tucker
Chapter 9

_____/

**EXHIBIT D (BLUE CROSS PLAN) IN SUPPORT OF DPLSA'S RESPONSE IN
OPPOSITION TO CITY OF DETROIT'S MOTION FOR (I) DETERMINATION
THAT THE DETROIT POLICE LIEUTENANTS AND SERGEANTS
ASSOCIATION HAS VIOLATED THE TERMS OF THE CITY OF DETROIT'S
CONFIRMED PLAN OF ADJUSTMENT AND THE ORDER CONFIRMING IT;
AND (II) ORDER (A) ENJOINING FURTHER VIOLATIONS AND
(B) REQUIRING DISMISSAL OF STATE ACTIONS [DOCKET NO. 9656]**

PART 5 OF 14

Section 3: What BCBSM Pays For

Hospital Services

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

For services in a long-term acute care hospital (LTACH), see Page 45.

The services in this section are in addition to all other services listed in this certificate that are payable in a participating hospital, including surgery beginning on Page 93.

Locations: The following services are payable in a participating hospital or an approved outpatient location as listed below.

We pay for:

- Inpatient hospital services:

- Medical care by your attending physician while you are receiving inpatient services.
- Semiprivate room
- Nursing services
- Meals, including special diets
- Services provided in a special care unit, such as intensive care
- Oxygen and other therapeutic gases and their administration
- Inhalation therapy
- Electroshock therapy
- Pulmonary function evaluation
- Whole blood, blood derivatives, blood plasma or packed red blood cells, supplies and their administration
- Hyperbaric oxygenation (therapy given in a pressure chamber)

- Outpatient hospital services:

Services that are payable in an inpatient hospital are also payable as outpatient services (except for those related to inpatient room, board, and inhalation therapy). In addition, the following services are payable:

- Services to treat chronic conditions are payable when they require repeated visits to the hospital.

- Temporary Benefits for Hospital Services:

Under conditions where a hospital terminates its participating contract with BCBSM, you will have temporary benefits for designated services, emergency care and travel and lodging that will end six months from the date the contracted hospital terminates its contract with BCBSM. See Page 97 for more information on "Temporary Benefits for Hospital Services."

Section 3: What BCBSM Pays For

Infusion Therapy

Infusion therapy services given by a participating BCBSM-approved infusion therapy provider are considered in-network services and will be subject to applicable in-network deductible and copayment requirements.

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

Locations: We pay for infusion therapy services in an ambulatory infusion center, or from a home infusion provider whether or not you are confined to the home. (see Page 123 for when services may be payable in a nursing home.)

To be eligible for infusion therapy services, your condition must be such that infusion therapy is:

- Prescribed by the attending physician to manage an incurable or chronic condition or treat a condition that requires acute care. For home infusion therapy, the condition must be able to be safely managed in the home
- Medically necessary (as defined in Section 7)
- Given by a **participating** infusion therapy provider

We pay for:

- Drugs required for infusion therapy. Since specialty pharmaceuticals may be used in infusion therapy, please see the Preauthorization for Specialty Pharmaceuticals requirement described on Page 70.
- Nursing services needed to administer infusion therapy and treat infusion therapy-related wound care

NOTE

Nursing services must meet BCBSM's medical necessity guidelines to be payable.

- Durable medical equipment, medical supplies and solutions needed for infusion therapy

NOTE

Except for chemotherapeutic drugs, services provided for infusion therapy under the home health care benefit are not covered separately elsewhere in this certificate.

Infusion therapy services given by a participating BCBSM-approved infusion therapy provider are considered in-network services and will be subject to applicable deductible and copayment requirements for such services.

We do not pay for services rendered by **nonparticipating** infusion therapy providers.

Section 3: What BCBSM Pays For

Long-Term Acute Care Hospital Services

See Section 2 beginning on Page 8 for what you may be required to pay for these services. Long-term acute care hospital services count toward any benefit maximums that apply to inpatient hospital services.

Locations: We pay for services provided in a long-term acute care hospital (LTACH) subject to the conditions described below.

We pay for:

All inpatient and outpatient services provided in a long-term acute care hospital that are payable in a participating hospital.

The services are payable only if the following conditions are met:

- The long-term acute care hospital must be located in Michigan and participate with BCBSM, except under extenuating circumstances as determined by BCBSM.
- The provider must request and receive preapproval for inpatient services

We do not pay for:

- Services in a nonparticipating long-term acute care hospital including emergency services, unless there are extenuating circumstances as determined by BCBSM.
- Inpatient admissions that BCBSM has not preapproved
- Services if the patient's primary diagnosis is a mental health or substance abuse condition.

Section 3: What BCBSM Pays For

Maternity Care

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

Locations: We pay for facility and professional services for maternity care and related services and for routine newborn nursery care during a mother's eligible hospital stay in an inpatient hospital or approved birthing center subject to the conditions described below.

Under federal law, we generally may not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than:

- 48 hours following a vaginal delivery
- 96 hours following a delivery by cesarean section

However, we may pay for a shorter stay if the attending provider (e.g., your physician or certified nurse midwife), after consultation with the mother, discharges the mother or newborn earlier.

Also, we may not set the level of benefits or out-of-pocket costs so that any portion of the 48 hour (or 96 hour) stay is treated in a manner less favorable to the mother or newborn than any earlier portion of the stay.

In addition, we may not require that a physician or other health care provider obtain authorization for prescribing a length of stay of up to 48 hours (or 96 hours). However, to use certain providers or facilities or to reduce your out-of-pocket costs, you may be required to obtain preapproval. For information on preapproval, contact your BCBSM customer service representative (see Section 8).

We pay for:

- Obstetrics

We pay for covered services provided by a physician or certified nurse midwife attending the delivery. These covered services include but are not limited to:

- Normal vaginal delivery when provided in:
 - An inpatient hospital setting
 - A hospital-affiliated birthing center that is owned and operated by a participating state-licensed and accredited hospital, as defined by BCBSM
- Pre-natal care
- Post-natal care, including a Papanicolaou (PAP) smear during the six-week visit

Section 3: What BCBSM Pays For

Maternity Care (continued)

- Newborn Examination

A newborn's routine care is payable when provided during the mother's inpatient hospital stay. The exam must be provided by a doctor other than the anesthesiologist or the mother's attending physician.

NOTE

The baby must be eligible for coverage and must be added to your contract within 31 days of the birth. Ask your employer or call BCBSM to learn how to add the baby to your contract.

Section 3: What BCBSM Pays For

Medical Supplies

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

For medical supplies for outpatient diabetes treatment, see Page 63.

For medical supplies for infusion therapy, see Page 44.

Locations: We pay for medical supplies in a hospital, hospice, outpatient facility, or skilled nursing facility that participates with BCBSM or in a physician's office or in the home subject to the conditions described below.

We pay for:

We pay up to the approved amount for medically necessary quantities of medical supplies and dressings used in a hospital, hospice, approved outpatient facility or physician's office, skilled nursing facility or in your home for the treatment of a specific medical condition. Medical supplies include but are not limited to gauze, cotton, fabrics, plaster and other materials used in dressings and casts.

Refer to Section 7 for the definition of "medically necessary."

Mental Health Services

See Page 15 in Section 2 for what you may be required to pay for these services.

For Substance Abuse treatment, please see Page 91.

Locations: We pay for mental health services in an inpatient or outpatient hospital, an approved inpatient facility, a participating residential psychiatric treatment facility, in a physician's, fully licensed psychologist's or CLMSW's office, and an outpatient facility subject to the conditions described below.



Mental health services that are the equivalent of an office visit are covered as an office visit. Please see "Office, Outpatient and Home Medical Care Visits" on Page 56.

We pay for:

- **Inpatient mental health services**

The following inpatient mental health services are payable when provided by a physician or by a fully licensed psychologist who has hospital privileges:

- Individual psychotherapeutic treatment
- Family counseling for members of a patient's family
- Group psychotherapeutic treatment
- Psychological testing when prescribed or performed by a physician and the tests are directly related to the condition for which the patient is admitted or have a full role in rehabilitative or psychiatric treatment programs
- Electroshock therapy and its related anesthetics only when rendered by a physician
- Inpatient consultations when your physician requires assistance in diagnosing or treating your mental health condition. The assistance is required because of the special skill or knowledge of the consulting physician or fully licensed psychologist.

We do not pay for:

- Staff consultations required by a facility's or program's rules
- Marital counseling
- Services beyond the period required to evaluate or diagnose mental deficiency or developmental disability or when the treatment is not likely to improve the patient's condition according to generally accepted professional standards
- Services provided by a nonparticipating hospital, inpatient facility or outpatient facility

Section 3: What BCBSM Pays For

Mental Health Services (continued)

- **Residential psychiatric treatment**

Residential psychiatric treatment is covered only after it has been preauthorized by BCBSM or its representative. Covered services must be provided by a facility that participates with BCBSM (if located in Michigan) or with its local Blue Cross/Blue Shield plan (if located outside of Michigan).

We pay for:

- Services provided by facility staff
- Individual psychotherapeutic treatment
- Family counseling for members of a patient's family
- Group psychotherapeutic treatment
- Prescribed drugs given by the facility in connection with the member's treatment plan

We do not pay for:

- Staff consultations required by a facility's or program's rules
- Marital counseling
- Services provided by a facility located in Michigan that does not participate with BCBSM or by a facility located outside of Michigan that does not participate with its local Blue Cross/Blue Shield plan
- An admission to a residential psychiatric facility or services provided by such a facility that have not been preauthorized by BCBSM or its representative before they occur
- Services that are not focused on improving the member's functioning
- Services that are primarily for the purpose of maintaining long-term gains made by the member while in another treatment program
- A residential program that is a long-term substitute for a member's lack of available supportive living environment within the community
- A residential program that serves to protect family members and other individuals in the member's living environment
- Services to treat a disorder that is not amenable to favorable modification, according to generally accepted professional, evidence-based literature, such as certain personality disorders or certain types of intellectual impairment
- Services or treatment that are cognitive in nature or supplies related to such services or treatment
- Services, treatment, or supplies that are court-ordered or related to a court order
- Transitional living centers such as half-way and three-quarter way houses
- Therapeutic boarding schools
- Milieu therapies, such as wilderness program, supportive houses or group homes
- Domiciliary foster care
- Custodial care
- Treatment or programs for sex offenders or perpetrators of sexual or physical violence
- Services to hold or confine a member under chemical influence when the member does not require medical treatment
- A private room or an apartment
- Non-medical services including, but not limited to: enrichment programs, dance therapy, art therapy, music therapy, equine therapy, yoga and other movement therapies, ropes courses, guided imagery, consciousness raising, socialization therapy, social outings and educational

Section 3: What BCBSM Pays For

or preparatory courses or classes. These services may be paid as part of a treatment program but they are not payable separately.

Mental Health Services (continued)

- **Psychiatric day treatment or psychiatric night treatment in a participating hospital.**

We pay for:

- Services provided by facility staff
- Ancillary services to patients who are admitted and discharged on the same day of treatment
- Prescribed drugs given by the hospital in connection with the treatment plan
- Electroshock therapy when administered by, or under the supervision of, a physician
- Anesthetics for electroshock therapy when administered by, or under the supervision of, a physician other than the physician giving the electroshock therapy
- Psychological testing
- Family counseling

For patients admitted to a psychiatric night treatment facility, **we also pay for:**

- A semiprivate room
- Nursing services and
- Meals, including special diets

- **Outpatient Mental Health Services**

Services in an outpatient mental health facility are payable only when the facility that provides and bills for them is a **participating** facility. Outpatient mental health services are also payable in an office setting (as applicable).

We pay for:

- Services provided by the facility's staff
- Mental health services provided by a physician, fully licensed psychologist, clinical licensed master's social worker or other professional provider as determined by BCBSM in an office setting or in a participating outpatient mental health facility:
 - Individual psychotherapeutic treatment of less than 20 minutes when provided only in a participating outpatient mental health facility
 - Individual psychotherapeutic treatment of more than 20 minutes
 - Family counseling for members of a patient's family
 - Group psychotherapeutic treatment
 - Psychological testing by:
 - A physician or a fully licensed psychologist or
 - A limited licensed psychologist when prescribed and performed under, and billed by, a physician or fully licensed psychologist
- Family counseling for members of the patient's family
- Ancillary services for patients who are admitted and discharged on the same day of treatment
- Prescribed drugs given by the facility in connection with treatment

Section 3: What BCBSM Pays For

Mental Health Services (continued)

Outpatient Mental Health Services (continued)

We do not pay for:

- Services beyond the period required to evaluate or diagnose mental deficiency or developmental disability , or when the treatment is not likely to improve the patient's condition according to generally accepted professional standards
- Services provided in a skilled nursing facility or through a residential substance abuse treatment program
- Marital counseling
- Staff consultations required by a facility or program's rule

Occupational Therapy

See Section 2 beginning on Page 8 for what you may be required to pay for these services.

For physical therapy services, see Page 66.

For speech-language pathology services, see Page 88.

Locations: We pay for facility and professional occupational therapy services in the following locations subject to the conditions described below:

- A participating hospital, inpatient or outpatient



Inpatient therapy must be used to treat the condition for which the member is hospitalized.

- A participating freestanding outpatient physical therapy facility
- An office of a physician or an independent occupational therapist
- A participating skilled nursing facility
- The patient's home (see Page 123 for when services may be payable in a nursing home)

We pay for:

- Medically necessary occupational therapy services when you are an inpatient in a hospital or skilled nursing facility subject to conditions described further down in this section
- A maximum of 60 outpatient visits per member per year.

Important:

This 60-visit outpatient maximum is a combined maximum for all outpatient visits for occupational therapy, physical therapy and speech-language pathology whether obtained from an in-network or out-of-network provider (see Note below about **treatment dates** and initial evaluations). Visits for mechanical traction performed by a chiropractor in conjunction with spinal manipulation are applied toward this maximum. All of these therapy services provided in any outpatient location (hospital, facility, office or home) are combined to meet the 60-visit maximum. This benefit maximum renews each calendar year.



Each **treatment date** counts as one visit even when two or more therapies are provided and when two or more conditions are treated. For example, if a facility provides you with physical therapy and occupational therapy on the same day, the services are counted as one visit.

An initial evaluation is not counted as a visit. If approved, it will be paid separately from the visit and will not be applied towards the maximum benefit limit (described above).

Section 3: What BCBSM Pays For

Occupational Therapy (continued)

We pay for: (continued)

Occupational therapy must be:

- For inpatient services, prescribed by a physician licensed to prescribe it
- For outpatient services, prescribed by a physician (M.D., D.O. or a podiatrist) or a dentist
- Given for a condition that can be significantly improved in a reasonable and generally predictable period of time (usually about six months), or to optimize the developmental potential of the patient and/or maintain the patient's level of functioning
- Given by:
 - A physician (M.D. or D.O.) in an outpatient setting
 - An occupational therapist
 - An occupational therapy assistant under the indirect supervision of an occupational therapist, who cosigns all assessments and patients' progress notes



Both the occupational therapist and the occupational therapy assistant must be certified by the National Board of Occupational Therapy Certification and licensed in the state of Michigan or the state where the care is provided.

- For outpatient services, an athletic trainer under the direct supervision of an occupational therapist in an outpatient setting

We do not pay for:

- More than 60 outpatient visits per member per calendar year, whether obtained from an in-network or out-of-network provider.
- Therapy to treat long-standing chronic conditions that have not responded to or are unlikely to respond to therapy or that is performed without an occupational therapy treatment plan that guides and helps to monitor the provided therapy.
- Services of a freestanding facility provided to you while you are an inpatient in a hospital, skilled nursing facility or residential substance abuse treatment program
- Services received from a nonparticipating hospital or freestanding outpatient physical therapy facility

Section 3: What BCBSM Pays For

Occupational Therapy (continued)

We do not pay for: (continued)

- Services received from other facilities independent of a hospital
- Services received from an independent sports medicine clinic
- Treatment **solely** to improve cognition (e.g., memory or perception), concentration and/or attentiveness, organizational or problem-solving skills, academic skills, impulse control or other behaviors for which behavior modification is sought

NOTE

We may pay for treatment to improve cognition when part of a comprehensive rehabilitation plan and is medically necessary to treat severe deficits in patients who have certain conditions that are identified by BCBSM.

- Recreational therapy
- Patient education and home programs